

City Council Work Session Transcript – 9/12/2023

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[9:03:32 AM]

I'll call the meeting of the Austin city council for this work session. It's 9:03 A.M. Members councilmember Allison alter is off the dais on city business. Councilmember pool is also off the dice this week . The order that we will go in on the agenda is item. The first item will bring up is the briefing on project live oak. We will then have a briefing on the airport expansion project. We have two items that have been pulled Ed that people want to comment on or discuss in anticipation of our Thursday meeting and that is item number nine and item number 83. I will need to step off the dais at around Wright at 11:00 because we are having a virtual signing ceremony with the city of Florence on a sister city agreement and so I'll need to step away for that. We will also have an executive session on if the if I'm off the dais during the time that we get to the executive session, the mayor pro

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executive session, the mayor pro tem will call for the executive session and the council will go into executive session on the items that are that have been have been noticed. With that, we will first go to a briefing on project live oak.

>> Good morning, mayor and council. Sylnovia holt-rabb, director of economic development department, joined today by Sabina Romero, our division manager of global business expansion, as well as arnie Jacobs. Our business process consultant here to present the city of Austin and nxp, chapter 380 program partnership today. And now I'll turn it over to Sabina.

>> Thank you so much. Good morning, mayor and council. Our presentation this morning will touch on Austin's chapter 380 program and nxp talk a little bit about how nxp is a strong community member.

We'll go over the proposed funding support and then we'll share our partnership recommendation. To provide an overview from general to

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overview from general to specific about Austin's chapter 380 program and nxp. As you all know, the chapter 380 program is based in state law. Texas local government code chapter 380 and the city of Austin implemented this state program by ordinance and nxp's application to be a part of our 380 program is part of their larger process of also applying for federal chips funding. The city's participation with this 380 to support their business plans is necessary for them to be considered at the top of the list for chips funding. The proposed local expansion that they would like to proceed with using our 380 support is to remove and replace four of five technology lines in their locations here in Austin, which would create 53 jobs and invest over a quarter of \$1 million a quarter of \$1 billion I'm sorry , an nxp as a community member

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, an nxp as a community member has been in Austin since 1974. Their semiconductor matters are part of product applications. The two facilities that they have here in Austin employ 2768 people with their Ed blue stein campus, employing over a thousand and their oak hill campus employing over 1700. There a very involved community member. They have a hispanic education awareness team, a black achievement and leadership team, and they're well known for volunteer hiring across the city . I'm going to hand it over to ani Jacob to walk you through the finances of the 380 agreement.

>> Thank you and good morning. Yes, the project dynamics are as follows. Of the \$290 million investment across the two campuses, roughly 90% of that will be in terms of real property. There is a I'm sorry, in terms of personal property, there is a real property

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there is a real property component, but there are no new square foot. There's no new square footage added. The investment is split relatively evenly between the two campuses at \$148 million at oak hill and Eid 141 million at atmc. Job creation in over the five years will be 32 at oak hill and 21 at atmc for a total of 53. Our program requires that we do a fiscal benefit analysis. This the expected impact over to the city over five years is 2.9 million, with an estimated city cost of city services added 299,000 for an estimated net fiscal benefit of 200 of 2.6 million over the five year period. And of that 2.9 million fiscal impact, roughly 2.5 million is a generated through property tax improvements. The property tax is I'm sorry, property tax improvements. Correct. Next slide, please. Of that 2.6 million in fiscal

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that 2.6 million in fiscal benefits, we calculated a I'm sorry from the application, the ability to through the score to have a 40% award for the base inducement of 631,000 over the five years. The program guidelines allow for 50% award up to and for a maximum. I'm sorry. And our team came up with an additional 10% for a workforce transition and training fund that allows for assistance with training for wraparound services such as child childcare, and also addition to that, an advanced manufacturing training program for an additional 1.5 I'm sorry, five 157,000 over the five year period because this is the high impact project. It allows for the staff to come up with some additional components economically disadvantaged bonus that we're proposing provides for economic disadvantaged hiring up to 25 at minimum of

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hiring up to 25 at minimum of 25, combining economically disadvantaged definition from our program guidelines and the state's enterprise zone program . Also adding an additional sustainable business practices for participation in green choice and green business leaders as well as agreeing to water harvesting components for Austin energy. If you look at the total proposed incentive package. Of 1 million reducing that from the estimated impact of 2.6 million over the five years, the net fiscal benefit will still be 1.5 to the city over the five year period. Thank you, Sabina.

>> This final slide provides an overview of the recommendation that staff has for the partnership with nxp, the 380 relationship would be for a term of five years. There would be a city property tax reimbursement at 40% would be a base inducement award. 10% of the reimbursement would be for

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reimbursement would be for workforce transition and training. 15% would be for that bonus community benefit reimburse at the 10% for hiring economically disadvantaged applicants, 5% for sustainable business practices as the general conditions of any 380 with the city compliance with job creation and capital investment employee and contractor livable wages participating in our program, the public comment period for this proposal is September eight through 15. The public hearings will be at this week's council meeting and next and council consideration is for the September 21st council agenda.

>> Council members, do you have any questions? Council member Ryan alter my understanding of the 380, is there is a pretty strict enforcement or oversight mechanism.

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mechanism.

>> And I'm just curious, is it a sliding scale or kind of all or nothing? So for example, if they produce just a few less jobs than what has been promised, does the whole thing go away or does it is it just a percentage that they lose on their incentive.

>> There is a margin of 20% where they can either exceed or miss to where they et 100% of the of the incentive. But it's an all or nothing beyond that point. Got it.

>> Thank you very much.

>> Thank you. Councilmember Fuentes, thank you so my question might be for an nxp.

>> See that they were representatives in the audience. But the question I have is, and I understand that having a local match is critical to nxp being able to apply for the federal chips act funding as part of that funding is my understanding . If a company goes out for an investment of more than 150 million, that that then triggers

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million, that that then triggers a commitment around child care. So I would like to learn more about what nxp's plans include regarding child care arrangements, either on site or off site subsidies. Any incentive and arrangements that they would be providing their employees. And as you're walking to the front, I just want to highlight that there was a study conducted by the urban institute that talked about the demand for nontraditional child care, especially in this industry. And so just wanted to see if you could speak to that as well.

>> First of all, thank you so much for having me. My name is Felipe Montoya. I'm the Americas H.R. Lead so thank you. So child care. What we're doing for child care is a we actually, since we've been in the community for such a long time, we actually

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such a long time, we actually have child care facilities right next to our facilities. Think one of the aspects that is difficult is since this is a high tech manufacturing fab and given the nature of it having an on site facility would actually be a little bit dangerous for having infants. So because we've been here for so long, they're actually facilities right next door and hopefully that helps with the child care on site aspect. The other aspect I would say is having child care is right now we provide a way for if there's any emergencies that happen that we give help so that they can like \$10. But if anything urgent happens, we

can give them help right away so that they can continue with whatever is happening. And then the other aspect is we're also right now in contracting with giving additional subsidies and support and discounts for folks that they can use those on site

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that they can use those on site facilities, those those facilities that are close by.

>> Yeah, you know, I would thank you.

>> Thank you for the response and certainly would encourage nxp to work with local stakeholders to better understand our local child care needs and the landscape that we have when it comes to child care, accessibility. Certainly think those conversation would be illuminating as to what more can be done in addressing this community need that we have. And just to clarify, would nxp be seeking, you know, seeking to participate in the chips act at the level that would require a child care plan?

>> I think at this time, we are not at that level. But to your point about constantly listening to our employees, we have multiple mechanisms so that we're constantly listening to what are the things that they're asking for the most and how do we help contribute to that. And so we're always keeping a close ear and eye to what are those

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ear and eye to what are those asks. And right now, some of the main things that they're really looking for is really good, affordable health care for all the aspects. So one of the things that we worked really hard last year as examples, we held the rates and every year we have like a \$300 discount so that if you do some preventative work that we can continue to look at ways of reducing the overall health care costs for them and if applicable, for their whole family.

>> Good deal.

>> Thank you.

>> If I might just underscore what the council member is asking about, and in my conversation with nxp, we also talked about child care. There's a focus piece in Austin, I believe, on the issue of child care and how we do better with regard to child care. The chips act, along with things like the bipartisan infrastructure law, other federal activity have built into those laws. The ability to go gain access to

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ability to go gain access to child care, money to be able to utilize child care and to gain more money in some instances, if you're providing child care. I think that's what the don't mean to speak for the council members, but but I think that is what she's speaking to, to get also that there may be an amount that you you hit and then there are certain requirements. But what the interest is going to be, I think one of the interests that is going to be is not whether you have to do something, but is it instead said, are you willing to do something, particularly when the tone, tenor and import of things like the chips act speak to child care? I say that recognizing that I think probably this whole council is going to be very interested in Austin being Lang a national and international leader when it

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international leader when it comes to just because of our history and the passage of the chips act. But there are some other things that are very specific to that. So I really want to underscore thank you, by the way, for the work that you've already done with regard to child care and nearby that shows you on the cutting edge. If not well ahead of some people in our community. But this is this is one of those specific areas that we might be able to set a real example, particularly as we talk about how we incentivize this.

>> Thank you. I would just add, like our search for the discounts and continue with this conversation with other benefits programs that we have, because actually it's a very robust.

>> But you all you ought to make sure everybody knows about that because you got to specific question about child care and you have immediately gone over to here's the other stuff we do that's good. There's a very real interest in child care. I have expressed that to the nxp people in hopes that if that question

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in hopes that if that question came up, it would be answered in a very specific way. Shea great . On health care that you're right it but the number two expense in most people's household in this community behind their housing cost is child care. So you're going to get specific questions about child care. Keep up all the other good work. We're all for it. But if you come to us asking for incentives that we are inclined to want to give for a variety of reasons, if there's something specific we're asking about or council members are asking about, I think you need to be prepared to answer that. Thank you.

>> And right now we're trying to get that 10% and to help lower those costs. And that would be irrespective of whether we come to this agreement, we're going to be doing that. We're in the contracting phase. And whether we go through with the chips, that's still something that we're very dedicated to.

>> I'm not getting on you. I'm just saying perfect. Congratulations. Good work. Thanks for that report. But as we debate this and discuss this

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we debate this and discuss this and set an there hasn't been an agreement like this in, what, seven years now? So how much? I believe that's correct. Yeah seven years. It's rough being first. We're happy to do it, but but but we are. And we're happy. You are? You mean a long time? Long, long time player in this community. A long time leader in this community. And and that's not lost on anybody. But as we take this first step, we also have to be thinking what's who's going to be next at that podium? And we would like to be able to talk about things specifically like child care, because we want to set an example about about we want Austin to be seen as somebody that's willing to work with industries like yours at the same time, we have some specific needs in Austin, and that's part of what we're attempting to address. Thank you, mayor. >> Think well said. And just to

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>> Think well said. And just to underscore, I really appreciate nxp's investment in our community. You've been a demonstrated community partner and that goes a long way, especially with me. And I think what I'm trying to think through with this lens of potentially approving an incentive package is how is it addressing our community's top needs or communities top priorities. And so just to underscore, I really would appreciate if y'all consider, you know, talking to local stakeholders like success by six early matters. Austin they have some incredible surveys and toolkits around child care, accessible early and needs that we have in Austin. I think they would be helpful in providing additional insight as you work to build out a more robust child care package. Okay, very good.

>> Thank you. Thank you very much.

>> You want to add anything? You sure acted like you wanted to talk. Okay, good deal. Thank you all very much. Councilmember vela, a quick question with regard to the federal chips funds that this will that our

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funds that this will that our support would enable.

>> Could you touch on that a little bit? I'm not sure that I've heard that that discussed various times. But exactly you know what what are the rules surrounding the chips act combined with like local funding .

>> There's a requirement for a local for a local participation . There's really no set rules on what the what the proportionate match would be. The estimates from on the chips guidelines are that the there would be a relatively a 5 to 15% participation from the federal government in total project cost . Just

looking at the estimated estimated capital investment alone would be somewhere around 15 to 45 million leverage from the chips according to what their website states. Does that answer your question? >> Yeah. So in other words, the

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>> Yeah. So in other words, the feds would cover 5 to 15% of the project, which in this case would be in the 15 to \$45 million range. And there's no specific guidelines just to restate to make sure I'm understanding there's no specific guidelines that the city has to put in X amount or whatever the case may be. But they're the city just has to show support. There has to be some kind of a fiscal, demonstration of local support for the project. Would that be the right way to say it?

>> The guidelines require a local match. It doesn't really not a specific proportion match. It doesn't really talk to what that might be. It could be a permitting assistance, but there has to be some fiscal participation, correct?

>> Okay. Thank you.

>> Council other questions or comments? Yes. Mayor pro tem, I'll just jump in if there's no further questions.

>> I appreciate having a local manufacturing hub here and appreciate them wanting to expand here in Austin. I know some of the work that they've

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some of the work that they've done throughout the years. Obviously, as times change, the pieces that need to be manufactured change. And so it also has been a long time. I don't think I've ever taken up a chapter 380 agreement, but in my time on the dais and so this is also new to me, but I always support local businesses trying to expand and hire here within the city limits. I'm excited that they're trying to leverage our support with other federal support that is available to them. So I hope we can work through some of these other details that my colleagues have had questions on. But I'm really eager to go through this. And I also know that with chapter 380, if the criteria is not met and the goals are missed, then the city is not on the hook for any sort of reimbursement. So I think this is probably new for everybody up here, except maybe some of the colleagues that have been on the dais for a number of years longer than I have been. But really appreciate all the questions and the commitment to the community.

>> Yeah, thanks, mayor pro tem and I'll underscore something else that I think has been said a couple of times. I think was

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a couple of times. I think was the first one to bring up that it's been seven years and then the what the mayor pro tem just said that probably also requires at least a shout out to our staff that it's not like they're, you know, every week they're bringing us something and saying, you got to do this. You got to do this instead. It's probably a real sign that our professional staff is being very judicious in what it is that they're bringing forward. So thank you for that as well. That's that's very much appreciated. All right. Unless there's anything else, we'll move to the next item. But thank you very much and thank you all. We appreciate your being here. We appreciate it. The collaborative approach on this. We look forward to continuing working on this. Members that will take us to a briefing on something called an airport expansion. I don't know what that refers to, but we'll find out. I guess. I'll ask you to put that

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I'll ask you to put that microphone in front of your mouth.

>> The interim director for the airport with me today is ghizlane badawi, the deputy CEO and summer Chandler, who's in charge of the overall expansion program. Today, we're going to try and walk you through the status of the airport today. Relative to growth as well as what our short and long term improvements are that we would like the council's cooperation to move forward with Austin has a long history of growth with dramatic growth relative to the rest of the communities who have airports in 1999, the airport opened up with 25 Gates at that time, we only had 5 million people using a facility that was designed for 11 million. So for those of you who were here back in 1999, you remember that the airport was open. There was very little crowds. It was easy to get around. There were no lines . As a result. There was a very

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. As a result. There was a very high expectation for service level. So we don't have that today because of a lot of the growth in about 19 2018. We added nine Gates and raised the design capacity for the airport to 15 million passengers. The trouble is that the day we opened that expansion, we were already at 17 million passengers and today we still have a facility that's designed for maximum of 15 million people. And we're handling 22 million passengers. So the bottom line, it is a crowded airport. We do have lines on busiest days for the restrooms. We have lines for concessions. It the infrastructure is no longer capable of keeping up with the volumes of people that we're process guessing the next slide tries to go over the catchment area that we draw from. So the growth at the airport is really just a factor of the economic success of the whole central

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success of the whole central Texas region and you can see we share this catchment area with San Antonio. So we compete to a degree with San Antonio over who gets which flights to serve, which customers. So overall, we've had tremendous demographics ourselves in Austin as well as our ability to capture some of the growth in this entire catchment area overall. So the next slide tries to walk you through what that growth has looked like in terms of annual numbers. And you can see in 22 we jumped to 21.1 million. This year we expect to hit 22 million passengers and the growth continues. The next slide tries to illustrate late the bump, which really pushed us to the edge to a degree when we came out of the pandemic, we had a 38% increase to today in the volume of seats that the airlines put into our market.

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airlines put into our market. That's the high cost of any airport in the country. So our infrastructure, which was already on the edge, we have a 38% increase in the volume, which makes it very difficult to maintain a good service level. Next slide is to convert that into a daily numbers. Prior to the pandemic, we were handling about 20 to 25,000 outbound passengers. Today, on a typical day, we're handling 30,000 departing passengers on a holiday or a busy weekend. We'll handle 35 or up to 40. And on formula one days and things like that, we're talking about 45,000 passengers, which is way beyond the capabilities of the facility to handle. The next slide is just to give you some sense of scale of compared to other facilities, our handling of 50

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facilities, our handling of 50 to 70,000 on a daily basis is against what Disney world does with the magic kingdom or disneyland in California. So we have a large volume of people that we have to take care of on a daily basis. The next slide tries to go over the planning tool that we use to mark things by based on industry standards, whether they're deficient or satisfactory for the infrastructure needs of the airport. List the individual items that make up a service experience on the left and walk you through by date. What we anticipate is going to be the service levels that we'll be able to provide. You can see in 2022 where our deficient in almost all areas except the airfield in 28 after the introduction of some of the interim projects that we're going to talk. About in a minute, we get some things out

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minute, we get some things out of the deficient stage, but not a whole lot. And finally, it's the long term projects that have to be put in place before we finally get to infrastructure to a sufficient standard for us to return to what we consider to be a quality level of service. So with that, I'll turn it over to Ghislain, who will walk you through some of the short term improved Bartz.

>> Good morning, mayor and council. As Mr. Smith mentioned, we are leveraging the near term project to provide relief as soon as possible. While we're planning and designing large expansion projects. The first project that I'd like to go over is the Westgate expansion. We did celebrate the groundbreaking on August 30th. This project will help us significantly to improve the passenger experience by adding three gates that will serve as a replacement. Gates we want to make sure that when we add the new concourse and connect the two concourses via a tunnel, we don't lose the gates. We will be taking gates out of service and this will help us significantly. This project will also improve the passenger experience by adding additional amenities for example, pet relief area sensory

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example, pet relief area sensory room, public art, play area for kids. These are all enhancements to the current passenger experience and will help us also focus on the resiliency of our operation by replacing 12 jet bridges throughout the terminal. And this will help, especially during the summer as we've seen this this summer is these new jet bridges will have an integrated and upgraded units to them. The next project is our baggage handling system. We're building new baggage handling system that will replace our aging and outdated current system. And it's important to note here that this baggage handling system is for our outbound baggage. And those are the bags that are checked at the ticket counters. This will help us ensure that as we expand our footprint, that we have the critical system in place for the future capacity. When we add the additional concourse, our inbound and baggage system and those are the bags that travel from the airplane or the aircraft to. The baggage claim is less complex and is within

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is less complex and is within the infrastructure for life cycle. So when you guys hear complaints from customers about delays for our inbound baggage, that's mainly handled by our airlines and it's due to the airlines operating or staffing shortages there. So this new system will be complete in 25, but we will begin screening the bags in phase one, which is next year. Next project is our west infield project. And this this is a near term. Project that we're leveraging any of available space that's not used currently. So if you can imagine a times where you visited our airport, there is a space on both the upper level and the lower level before you reach the first set of terminal doors. That's currently just an open space and this project will fill in that open space and we will be extending checkpoints three from two lanes to eight lanes to create more and create more aprons space to house the new baggage handling system, as well as add an airline club in the mezzanine level. And this is an

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mezzanine level. And this is an example of how we are creating terminal space by filling the open areas and optimizing the barber Jordan terminal. This project is currently in design and will be complete in 2026. The next project is another infill project and if you walk through the terminal today from the upper curbside, you see an open space overlooking the baggage claim. We will cap that and create a floor space. This floor space will help us with the provide the queuing needed and address all those deficiencies. As you guys seen in the in the pictures in this presentation on or you've seen our lines or in the news. This is very important project to the passenger experience. It will help us provide the queuing needed for the check in process and also the checkpoints. And this project is in design and will be complete in 2026. Our international arrival facility also is in critical need of near. Term and long term improvements and we've been

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improvements and we've been fortunate to secure new international airlines and flights and we want to retain them. And also we want to continue to grow our international offerings into the future. So we absolutely must improve the experience for travelers who use this facility. Many who arrive on a long haul transatlantic flights when on the airlines followed their precise schedule. We do not see a lot of facility crunch, however, if one of our international flights is either late or arrives early by 15 minutes, that creates a lot of issues for. Us because the international flights are deplaning passengers at the same time. And these flights are the biggest flights that we see at. And they're usually fully booked. So in near term improvements, we will be adding baggage carousel, which will help in situations where multiple international flights arrive at the same time. We'll continue to work with our airline partners to make adjustments to the schedule. The airlines control the schedules, which are heavily influenced by other airports, time Zones and connectivity. We will also add more customs and border protection. Boots and more space for processing passengers. We'll

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for processing passengers. We'll continue to work with our customs and border protection partners to request and add more staffing, as well as our federal delegation to request additional resources. And this project is currently in design and we're working hard to complete these improvements as early as next year. We also have other projects that are underway. For example, technology upgrades to our checkpoints and restroom refresh accessibility improvements and other projects to improve. The current passenger experience. And now I would like to introduce my colleague, same, who will go over the long term improvements.

>> Good morning.

>> The next slide. What you see here is a graphic of the potential all program, all the elements and components of the program for the expansion. We do want to note that the finalized scope for this program, we have to come to a consensus with our airline partners and through programing and feasibility studies, we'll continue. To do that throughout the calendar

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that throughout the calendar year and first quarter of next year. So we can get a consensus on that scope and cost. But what we do know and that is in the scope and what we do need to build will be Gates. Concourse B will have up to 24 Gates. It will be connected to the existing Barbara Jordan terminal by a tunnel. That tunnel will be a passenger tunnel with passenger conveyances is also a tunnel to service baggage system. Our baggage handling system and a utility corridor. And we are also for a future people mover or train as. We expand out to concourse C and D, we also have to do a quite a bit of enabling work to actually get this concourse built. We have to actually build a new taxiway. You see that indicated here. Midfield taxiway and new central utility plant as well. More Gates means more people. So we do need to address the front of the house. That means that we will be needing to build new parking. We'll have to tear down the new the existing red parking garage and build new curbside as well. Pool so we're thinking about a long term what we need

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about a long term what we need for full build out. And we will agree with the airline partners about what we build for the next 10 to 15 years. Next slide this effort is a collaborative effort citywide with all of my sister departments, all of our sister departments. We are in constant conversation and collaboration with all of them. Dzd capital contract Singh watershed capital delivery services in snbr all of these departments, we have been working on process improvements starting to forecast with the schedule their resource needs and as well as being very collaborative and creative on what we can do to still meet the requirements of the city or exceed the city expectation and get this program going faster. And an example of that will be the update to the master development plan ordinance that council will see this week. Okay . A little bit more about the

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. A little bit more about the master development plan ordinance. This is original ordinance was put in place in 1994. This was important for us to transition from an air force base to an airport. It it allows us to operate under one site plan. We are required to revisit this ordinance every ten years and our the airport, our staff has been working almost close to two years now, working with watershed protection and on this update, as we got to know more and more about the expansion program. So the ordinance

establishes consistent permit requirements and allows the airport to permanent as a single site. It also allows with future development of city code as well as aligns with FAA requirements . So sometimes FAA requirements and city code contradict each other. And then it also supports the ongoing commitment we have for stormwater pollution Ann

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for stormwater pollution Ann reduction strategies. And it also, cements our commitment in our capital improvement plan to invest in water quality improvement projects over the next ten years, with up to \$10 million worth of projects we've had over the past several months a lot of outreach. We've gone to our environmental commission, the planning commission and the airport advisory commission. We've also met with the southeast combined neighborhood plan contact team in their August meeting to talk more about this ordinance in Ed impacts to the airport and surrounding areas. We've launched a website that explains the ordinance and the changes in easy, comprehensive, comprehensible language. We've promoted this website on our social media outlets as well. Our airport affair airport community affairs team has commuted directly with with our neighbors. One on one when they had questions answering those emails and has reached out and working with the equity office

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working with the equity office on this update. So this is a historic capital improvement effort, which means we will be really need to be focused on the workforce development and engagement in this area. We have been laser focused on this. We have had four large outreaches. We've been working closely with . We had a large outreach in April. We've had three virtual over the summer and next week we actually have a matchmaker Singh event that we're hosting with with a national aviation, minority organization, mac, where we will have matchmaking opportunities for large primes and our local small businesses here so that they can build those partnerships. Each one of these outreaches we go into depth what the program is, the, the, the, the scope of the program, the trades that we will need as well. And we're already seeing an increase in the percentage of the number of registered business aces here in

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registered business aces here in the city of Austin because of that outreach, we are very focused as well as the benefits local community when it comes to workforce development and job opportunities. And then during this, we'll be building a comprehensive community affairs program so that we can continue to update and engage our neighbors is a big focus on the program is going to be on sustainability, our sustainability goals and metrics and reducing our energy consumption as well. At the airport.

>> So one of the next steps for us in advancing very quickly will be to bring to the council our contract extension request and request for alternative delivery methods.

>> I have a list up here of what you'll be seeing in September and in November. It's important to note we do not have agreed upon budgets of this of these projects with our airline partners. But we want to get

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partners. But we want to get started on this process. We know what the scope is. We want to get started on our procurement process and run that in parallel so that we do not waste any time . So we look forward of coming back and updating on the specific budgets with our airline partners in agreement. But together across all of this, we do know this is going to be a multi billion dollar program, for the airport as well.

>> So in conclusion, the some of the next steps that we have to go through in order to carry this program out, some are mentioned. The first is to get consensus with the airlines. And the main reason for that is how the airport is funded. The airlines provide approximately. 45% to 50% of the revenue that the airport gets to build new things as well as operate on a daily basis. And bottom line is, we do not have sufficient funds

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we do not have sufficient funds or ability to raise them on our own to carry out this capital program. So we have to have the cooperation of the airlines in order to do that. That means negotiate with them on the scope and scale of some of the things that we just went through that we think we need. We need to get the airlines to cooperate with that. So we are working on that now and hopefully that will wrap up fairly soon. We also have to maintain the operational resiliency, even though we're stressed, we're pushing 22 million people through a 15 million facility. We have to keep things working and we have to do as good as we can in terms of the service experience we provide for the passengers and our staff has done an outstanding job in in trying to do that. We have to move quickly on all short and long term improvements. As as was discussed, there's a whole number of packages that we were bringing forward to council and we need the cooperation of other city departments to move those

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city departments to move those through the system and ultimately we the council support to award those and get them started. The multiple large contracts we mentioned. And then the last is the significant construction and experience changes for the airport. If we are able to carry this program out,

we're talking about ten years of construction at the airport. So there'll be very few times available where the airport isn't under construct in in some aspect. We're essentially building an airport bigger than the current one on top of the existing one while keeping it operate. Singh it's not going to be try not to say that again.

>> We've got that out. Appreciate it. But that that scares everybody, including me, by the way.

>> It scares me too. Yeah.

>> Understand. Could could sense it in your voice.

>> So anyway, that's really basically it. In terms of the next steps, there's a lot on the construction plate. There's a

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construction plate. There's a lot on our discussions with the airline partners. There's a lot of work to be done at the airport, but we've always managed to be able to pull that off and we fully expect to be able to continue to do that. Will stop for any questions.

>> Yeah. Well, thank you and joke, but it's we're very appreciative of the level and depth of report on this and the work that's going to have to happen. I mean I don't think it's lost on anybody Sade that this is one of the like wrote down the words you wrote service experience. The this is one of the areas where we need to we're behind and we need to catch up. But it's going to be a long time catching up. And this council, I think, wants to be in a position where we're not seen as as digging the hole deeper or failing to fill in the hole as we as we go along. So thank you for that report and thanks for what you're doing with that. I'll open it up. Council member

[9:48:48 AM]

I'll open it up. Council member Fuentes yeah.

>> Thank you. Thank you for the update. And appreciate your your frankness about the and setting expectations with the community that our airport is going to be under construction for the next ten years.

>> And so the practices that we have in place right now with be sure to arrive at least two hours early is an expectation that we're going to have for all of our passengers for the foreseeable future. So we just want to level set with everyone because we want to make sure everyone has a good experience when they come through our airport, which I'm very proud is based in district two. So I have a couple questions for you. First, could you talk us through and you touched a little bit on it during the presentation portion, but about the level of community engagement that the airport has provided as part of this update. We established a new community affairs group.

>> This is new. We have three ftes right now and we're in the

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ftes right now and we're in the process of hiring the fourth fte and we're focused right now on district two. We're building those relationships and we're providing updates on our program as Sommer mentioned, we provided updates and had a lot of discussions with our neighbors about the master ordinance and also we'll continue providing them updates on the future projects and engage in them in the process. Thank you and want to appreciate the airport's progress in community engagement.

>> Certainly a lot of effort and improvements have been made in the last year or so and with the community affairs team on board. And I know that you all are still hiring out for that for the third position Ann think that will help in providing a robust community opportunities for input. And so my colleagues , I'm looking to provide some direction on this item on on community engagement moving forward and what there was, you know, extensive communication done with this update. But I want to ensure that over the

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want to ensure that over the next ten years, for the next update, that we have a process in place to keep the community, you know, keep them informed along the journey of this expansion program. And so I will be sharing that out soon. The other question I had is around the better builder program. So we know that this council is very committed to better build our standard and have that as a requirement for city led projects. You know, at the airport we have a lot of third party work that is being done, namely with the airlines and the construction that they have. And so I wanted to see if you could talk through, you know, how the city is ensuring that our that any construction project, whether it's a city or a third party that is in compliance with our better builder standards is can you speak to that a little bit?

>> Yes. So the city meets and at times exceeds the better builder program. And it's the language already within the contract acts that we have. One of the things

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that we have. One of the things that we have been doing, because this program is so large and there is an extensive aviation experience in the area, is that we've been having to in our outreach events, update people on what that program is and what the requirements will be in the for the contracts such as workforce development goals by using programs approved by the department of labor as well as as a living wage requirement training the osha, training, safety, those sorts of things and those components. Those are all within all of our contracts as well to make sure that those are followed and that we exceed

that. We're looking to exceed for our program, exceed the commitment for the workforce development. Where it is a is more of a best effort where we want to make it a minimum into our contracts. And we are updating that language so that efforts underway with city led projects.

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projects.

>> And then just to clarify, you all are having conversations with the airlines regarding their commitment and ability to meet our better builder standards.

>> Yes.

>> Yes. Okay all right. And then the last thing I have and this is really just to save me an email, I've noticed the last few times I've been to the airport that the internet connectivity on like by gate 12 has been out. And I've talked to both times. I was out there, I've talked to concession workers and they've mentioned that the wi-fi connectivity has been an issue for some time now. So I wanted to flag that as something to look into to ensure that we have that capability now.

>> Thank you. We'll check into that.

>> Thank you.

>> Other questions or comments you want to close this out.

>> Thank you, mayor.

>> I just wanted to thank all the aviation department employees, 22 million passengers with a capacity of 15. It's because it's functional because of all our employees. But this leadership team, Jim Smith, for

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leadership team, Jim Smith, for coming back and giving steady hand during this transition summer, for getting us to this point where we're at for a huge construction program in ghislain, congratulations on your promotion to deputy CEO. She essentially ran the airport during covid. If it wasn't for ghislain our traveling public would have had a lot of problems. So thank you, ghislain, for that work.

>> Thank you.

>> Thank you very much. Appreciate you pointing all that out. Thank you. All very much. I don't think anybody is unaware, aware of what we're facing, but we're very appreciative. You all are leading us on it. So thank you very much.

>> Thank you.

>> Members. Those are the two briefings we were going to have . So I'll now call up item. What is item number nine? An that is the item. This has been pulled by council member Ryan alter and council member Fuentes. Tell me who you want me to call on council member Ryan alter.

>> So sounds great.

>> Thank you very much, mayor. As we posted on the message

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As we posted on the message board yesterday, just wanted to, to give a brief update on, on some negotiations and agreement that we received with Austin hotel lodging association station. So after our discussion a couple of weeks ago, we council member Fuentes and I met with the Austin hotel lodging association to talk about some of our concerns, especially around the closure period and what was presented in the service plan of what those incentives would look like that are ultimately remitted to the city and the fact that those would be very diminished and delayed. And so what we were able to work through with them and I will give them I want to thank them and give them a lot of credit for coming to the table and wanting to address these concerns and with ideas. And so the net effect is going to be and I'm sorry, I don't

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to be and I'm sorry, I don't have language for you yet, it's still being reviewed by the law department, but is going to during the closure period, guarantee that 20% of the revenue will be used for reimbursements for tourism, whether that's the what was initially set forth as the convention center reimbursements and other reimbursements, that's, let's say the palmer or other sites because we won't have the convention center, but what is going to be added to that is essentially a major events reimbursement. So funds that we spend to host major events like south by southwest and others, those funds will be eligible for to reimburse assessments that will ultimately flow to the city and allow us to have that additional revenue that we would not have had under the deal for addressing our critical city needs. So I want to thank councilmember Fuentes.

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to thank councilmember Fuentes. She's been a leader on this. And really, you know, we wouldn't be here without her. And just want to kind of give you all that update. I'll hope to have language for you by the end of today so you can review it. It's not going to be a dramatic change in the service plan, but just want to lay that out for you.

>> Councilmember Fuentes.

>> Yes, thank you. And thank you, colleagues, for the for supporting the postponement. You know, as you can see, it was helpful in us being able to ensure that we're getting a better deal for the city and so I want to thank city staff for all of their hard work and negotiating and working with the hotel industry on on the service agreement, because I know that that got us to a really good point where we were able to build off of. Thank you.

>> Thank you. Thank both of you all. Anybody else have any comment on that? And I hear you loud and clear about working to get something to us before the meeting so that we'll have have that and everybody be in a

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that and everybody be in a position to vote. Item number 83 was also pulled. It was pulled by council member Kelly. And so I'll recognize councilmember Kelly to discuss item number 83. Thank you, colleagues.

>> We this morning my staff passed out a amendment that I'd like to bring forward to amend item 83. But before I review that, I'd like to ask staff a couple of questions. Is there just some questions that have bubbled up in the community that individuals in my district have come forward and asked and think would be great to bring public? So, I guess we could start with code. Thank you for being here. I'm wondering if a tiny home could be licensed as a short term rental under our current code?

>> Yes. Good morning. Daniel ward development services code compliance division. For short term rental licenses, is it? We have to be careful in terms of the words we use and what they actually mean. If it is a

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actually mean. If it is a permitted dwelling unit, then it would be eligible for a short term rental license. If it's a structure that does not have a certificate of occupancy. So it wasn't inspected by us, then we would not issue a short term rental license.

>> Okay. And then would code rules for rvs be different than regularly parked vehicles? I'm sorry, phrase that again. Yeah. I'm concerned that if there's an rv parked in a driveway that it could possibly be coded differently or it could have different types of, I guess, violations attached to it. Could you maybe help expand upon that as far as what the difference between a recreational vehicle and a car is when it comes to violation? Burns. Or specific violations maybe that have occurred historically related to the two. I know that we've had some abandoned vehicles in my district that you all have specifically gone out and taken

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specifically gone out and taken care of with the same process, apply to a recreational vehicle . If it were to be abandoned.

>> Yeah. So recreational vehicles, if it's on wheels, it's treated as a vehicle, right. And that's a key distinction. You know, in residential districts right now , recreational vehicles can be stored on residential property as an accessory use, but they cannot be occupied on residential property right now.

>> Okay. That that's very helpful. I'm sorry that I phrased that oddly. It's how it came in. And then for I have a couple questions. Thank you so much for explaining that. What are the current restrictions for installing a tiny home or having an rv on a property currently?

>> Hi. Todd Wilcox building official. So the restrictions for having a tiny home would be , you know, setback where the placement of the tiny home would be, how it's constructed if it meets the international residential code, utility connections and then placement to any other structures on the

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to any other structures on the property.

>> Is that book in front of you, the international code? Yes. Oh, my goodness. Well thank you to you and everyone in your department who knows that. Probably like the back of your hand. Do you foresee a scenario where the code could be interpreted to allow property to have multiple tiny homes or rvs on it? If we were to move forward with this resolution?

>> As far as the technical code goes, it only handles the construction aspects of tiny homes as far as how many could be on a lot would be more of a zoning or a planning issue. Okay.

>> That that's great. Those are all the questions I have. So colleagues, my amendment here, which you all have in front of you based basically is, we came up with this because a lot of the older, more outlier neighborhoods as they say, they definitely want to add additional housing. But I think we should do it in a way that also protects the neighborhoods and provides assurances to the residents who speak to us whenever the smallest change

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whenever the smallest change happens. And so it really just asks the city manager to consider, but not limit the considerations that list there. And I won't read them all out. We'll post it to the message boards, to the public can see it, but I do believe that these are some things that would help make this

resolution a little bit better and assure the community that we are trying to add more housing. But to do it in a way that protects them. So thank you. Great.

>> Thank you. Councilmember members, does any councilmember Ryan alter have a question?

>> I don't know if it is a Trish question or a Lauren question, but it's related to zoning districts for rvs, cars or mobile homes. And option number three, door number three. We have of a zoning district for, for when what exactly is it called? Forget campground. Campground.

>> Okay. Well, you didn't finish your question or your statement,

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your question or your statement, but campground allows for rvs currently, which is zoned, which is allowed. That's the use campground that allows for rvs. And that's allowed in the zoning district of course, and less restrictive in most cases.

>> Is there a limitation on the number of rvs within that?

>> I don't think so, but I'm not sure. Okay

>> Ultimately, the question I have on this item is, are there any protections in place or considerations, whether it's health and safety or otherwise, for what we have when we have allowed this use that might not be in place if we were going forward with the resolution as it's written in terms of having it be an allowable use in these residential settings.

>> So I would say absolutely there's some health and safety concerns. That's the word they're not permitted. And now think this was raised. Lucian is asking staff to look at that.

[10:04:06 AM]

asking staff to look at that. And when we bring it back, we would definitely make sure, that we address that or maybe it may not be permitted if we cannot address those health and safety concerns, but you're exactly right. That's why it's allowed in campgrounds and, and those types of uses where you have different types of, I mean, this is a Daniel or you know, about water and wastewater constraints . And if we're taking those and making those dwelling units, we definitely need to address that .

>> Great. Thank you very much.

>> Hum, good.

>> Yes. Councilmember Kelly, thank you.

>> And thank you, councilmember alder, for bringing that up in my proposed amendment, it says outlining the number of structures allowed on a property. The last thing I want to see happen is in my

grandma's backyard, we've got five rvs and there's no real good escape route in case there's a fire or something. So I appreciate that. Thank you for bringing it up.

>> Councilmember Bella thank you, mayor.

>> Councilmember pool is not here. I'm a co-sponsor on it, and. And I just wanted to offer a few comments. First of all, to thank councilmember pool for,

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thank councilmember pool for, for bringing the item. The currently rvs are allowed on a property. Just to clarify a couple of things. They are allowed on a property, but my understanding is that they cannot be hooked up to utilities while on the property. Is that correct?

>> So they're allowed. If you're talking about residentially as an accessory and they would need to be screened and they would not be allowed as a permanent dwelling unit, I think that's what you're saying. Yes yeah.

>> And the an accessory use. Could you explain that it's not the primary use.

>> So your primary use would most likely be your single family dwelling unit and right now, rvs are not allowed as a dwelling unit in single family district zoning.

>> Got it. So this change potentially again, staff's going to look at it and see what they can do with it. But this change would allow them to be used as a

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would allow them to be used as a dwelling unit and would thus and again, please correct me if I'm misunderstanding this or wrong. Would count toward the dwelling unit for use. In other words, if you're on a single family sf3 type property and you were thinking about putting an Adu in the back and you know, you looked at the cost of building an Adu and you're like, you know what? I don't have, you know, \$350,000. You know, you could potentially get a tiny home. You know, put it in the back, plum it, add electricity, and then that would essentially be your Adu is that, I mean, conceptually, is that how we're looking at this resolution? Ann yes.

>> Conceptually, that is the way staff is reviewing how this resolution is drafted. Absolutely

>> Yes. And then I know councilmember pool has an item where she has the allowing additional units on a on a lot. Again if you were to add a tiny home you know plummet but electric city and everything like that permitted that would count to one of the three units.

[10:07:08 AM]

count to one of the three units. Yes if that ordinance passes that would allow three units how we are reading this, this would count as one of the three units.

>> Absolutely.

>> Okay. Got it. And but again, to clarify, currently, you can't you're not supposed to let me rephrase that. You're not supposed to live in a tiny home or rv that's that's again, properly, you know, parked in your backyard. And screened and so on and so forth. But you're not supposed to be like living in it right. And I really appreciate the councilmember pool bringing the item. I can tell you from, you know, personal experience that there's a lot of folks living in, you know, kind of small homes or rvs. I've even seen sheds and stuff, you know, finished out again. I mean, we all know what the housing situation is. It's a very, you know, expensive. It's you know, like I said, we the ads are well above a quarter of \$1 million to, you know, to

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\$1 million to, you know, to design and to build and to permit and even a relatively small one. So I do think that this is an item that could provide somebody a quick and easy way to add a unit to their home, you know, for kids, you know, for mom, for whatever the case. And I would encourage folks also to just, you know, search for tiny home on the internet and look at some of the images. You know, there's some really nice nice well done. Finished out tiny homes that are in, you know, 300ft S, 400ft S, something like that, that are very functional. Well, as as a home. So, again, just wanted to again, no, she's not here. But thank councilmember pool for bringing this item. I'm a co sponsor and happy to support it.

>> Mayor pro tem thank you mayor.

>> I'm also happy to be a co sponsor on this item and appreciate councilmember Powell's leadership on this. When think about tiny homes, think about the flexibility of people being able to add those livable spaces like

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livable spaces like councilmember Vella was talking about. And I also think it helps with issues like watershed protection and making sure that if we're adding extra units, there's some flexibility in making sure that we have less impervious cover citywide. So it's kind of the best of both worlds where you get to add those housing units. You know, you get to help with the rising cost of the affordability crisis that we've been having in the city for quite a while now. And I think to councilmember Kelly's amendments, I'm going to take a look at them and appreciate you circulating this today. Some of them, I think, are either already captured and just our general zoning processes and allowances, but I appreciate you

bringing them. And we'll we'll take a look. And I also just want to remind folks that, you know, this is just kicking off the process. And once city staff is able to bring back the actual amendments, we can go through them with a fine tooth comb and make sure they meet the needs of all different types of folks and housing that we see in the community.

>> Great, great comment. All right. Councilmember Kelly agree and want to re-emphasize, thanks for bringing this up early

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for bringing this up early enough that we can have a discussion and make sure that on Thursday we are sending forward the thorough way we want it to be looked at and thanks to all three of you all for being here and helping answer questions at the work session, it's appreciated. Members, unless there's anything else without objection, the council will now go into a closed session to take up for items pursuant. To section 55107, one of the government code. The city council will discuss legal issues related to item E one. Jennifer verdin versus city of Austin. Cause number one, colon . 21 CV 00271 in the united States district court for the western district of Texas Austin division one. And pursuant to section 551074 of the government code, the city council will discuss personnel matters related to items e3 e4 and e5. E3 is the performance of and

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E3 is the performance of and consider compensation and benefits for the city clerk e4 is the performance of and consider compensation and benefits for the city auditor and e5 is the performance of and consider compensation and benefits for the municipal court clerk members. Item e2 has been withdrawn. E2 has been withdrawn. Is there any objection to going into the executive session on the items announced hearing? No objection. The council will now go into executive session. It is. 10:11 A.M. At the end of the executive session. Either I or the mayor pro tem will come back out into public session to adjourn. The meeting of the Austin city council in this work session. It's 1011. We are headed into executive session. We are out of closed session in

[11:12:49 AM]

We are out of closed session in closed session, we discuss legal issues related to item E one and personnel matters related to items e3 e4 and e5. I am mayor pro tem Paige Ellis and this meeting is adjourned at 11:12 P.M. Thanks for joining us today .